

LYNCHBURG CITY COUNCIL

Agenda Item Summary

MEETING DATE: **January 24, 2006, Work Session**

AGENDA ITEM NO.: 5

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Mid-Atlantic Broadband Cooperative Proposal to Install Fiber Optic Infrastructure at the Lynchburg Regional Airport**

RECOMMENDATION: Agree to allow the installation of fiber optic infrastructure at the Lynchburg Regional Airport and authorize staff to start the process of granting a franchise to the Mid-Atlantic Broadband Cooperative for the lease of the node/hub site.

SUMMARY: The attached memorandum from Mike Davidson, Director of Economic Development for Campbell County provides background for this item. City staff is strongly supportive of having this telecommunications infrastructure installed at the airport. Its presence will enhance the marketability of both airport property and those properties owned by the City and Campbell County that are planned for development as a joint commerce park.

The City cannot grant a long term lease without going through the franchise process (similar to that done for the lease of the parking deck adjacent to the Holiday Inn Select). This, plus the added requirement for Federal Aviation Administration (FAA) approval, has created a time crunch for the installation of the infrastructure. Mid-Atlantic is willing to go ahead with plans for the installation with Council's indication of its willingness to grant the 40 year lease. Mark Courtney has already corresponded with the FAA and we do not anticipate a problem from that end.

Note: This process would have been greatly simplified if the property was owned by a regional airport authority rather than the City.

PRIOR ACTION(S): None

FISCAL IMPACT: No direct impact although positive economic benefit is expected to accrue from the availability of the broadband infrastructure.

CONTACT(S): Kimball Payne, 455-3990

ATTACHMENT(S): Memorandum from Mike Davidson dated January 13, 2006.

REVIEWED BY: lkp

INTER OFFICE MEMORANDUM

TO: Kim Payne, Lynchburg City Manager

FROM: Mike Davidson, Campbell County Director of Economic Development

SUBJECT: Mid-Atlantic Broadband Cooperative

DATE: January 13, 2006

BACKGROUND: The Virginia Tobacco Indemnification and Community Revitalization Commission (hereinafter referred to as Commission) recognized that internet connectivity is a vital infrastructure that is not widely available within the tobacco communities. The Commission has been exploring alternatives for several years and has established the Mid-Atlantic Broadband Cooperative to install fiber infrastructure to serve the tobacco communities. Mid-Atlantic will install, maintain, and own the fiber infrastructure and lease out availability to the system to last mile providers yet to be identified. The lease payments will partially fund the continued maintenance and operational costs of the fiber network. Tobacco communities have the ability to site facilities to serve industrial parks. Each tobacco community will obtain a node/hub site at no cost to the locality. Mid-Atlantic will fund the cost of fiber installation, maintenance, utilities, the necessary equipment, and cost of the building structure to house the equipment for the node/hub site. Tobacco communities must provide at no cost to Mid-Atlantic a site to locate the equipment for a period of 40 years. Campbell County has identified the area around the Lynchburg Regional Airport as a preferred site for the node/hub site to serve the joint industrial park when it is developed.

DISCUSSION: Original plans were to locate the node/hub site on joint industrial park property. Since the joint industrial park is not operational that alternative does not exist. In order to serve the joint industrial park when it is developed, we examined alternatives with the appropriate Lynchburg staff. This review process had been on-going since April of 2005. Property near the control tower was determined usable and determined that the location of a site would not negatively impact the airport operations. If this site is utilized fiber will also be placed down Training Center Road so when the industrial park is developed we can tie into the fiber and serve the joint industrial park. While no official construction estimate has been developed and considering the value of the servers and other equipment necessary to operate the fiber connectivity, the potential cost savings in joint industrial park development could run from \$75,000 to \$150,000. In addition to this benefit proposed location of the node/hub site can serve existing businesses on the airport property as well as up Wards Road. This site may even be able to serve Liberty University to provide connectivity to the new housing units on the east side of the 460 by-pass. The last mile provider will be responsible to run the infrastructure necessary to serve clients from the node/hub site at their cost.

Mid-Atlantic has contracted with Adesta, a local firm, to install the fiber in this area as well as install the node/hub sites. What will occur at the airport property is two fiber lines will be installed down the road to the control tower to provide redundancy, an approximately 20 X 20 pre-engineered structure will be placed on a pad site and the necessary equipment will be installed. The site will have an external back up generator to insure operability. There will be an access road and small parking area included in the site. In order to have the extra fiber access in the area to serve existing Lynchburg and Campbell County businesses and the future joint industrial park a site must be provided at no charge to Mid-Atlantic for a lease period of 40 years.

The benefits to locating the facility on city property is the extra connectivity for existing businesses on airport property as well as up Wards Road, allowing city business to benefit from infrastructure financed by tobacco funds, and deferring infrastructure costs for the future joint industrial park.

The site must be operational by May 31, 2006. We realize there are formal processes that have to be followed prior to committing to a lease agreement. We need to know by January 27, 2006 if City Council is willing to commit to the project with the understanding that there are processes that have to be completed. Adesta must have access to site by the end of February to mid March. If City Council does not desire to commit to the lease terms then an alternate site will have to be utilized.

RECOMMENDATION: Campbell County is requesting City Council consider a 40 year free lease for the Mid-Atlantic Broadband Cooperative to install a node/hub site at the Lynchburg Regional Airport.